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ABSTRACT

An evaluation was conducted of private career schools as part of Washington State's accountability system for workforce development. Of some 230 private career schools in the state, 8 volunteered information. Information was also gathered from employment records of the Employment Security Department for 5,902 persons who were students of these schools during 1993-95, a telephone survey of 313 students, and a satisfaction survey of 144 Washington employers of the graduates. The study found that private career students generally resemble the state's population for their age cohort, except with slightly greater levels of female participants. Students reported they entered the schools primarily in order to gain job skills, which they received. Students also received instruction in mathematics, teamwork, communication skills, work habits, critical thinking, and decision making. Among students employed 9 months after their school program, 60 percent were in jobs related to their training. The former students were mostly satisfied with their school programs, as were their employers. Eighty percent of program completers of degree-granting schools were employed 9 months after completion; 55 percent of them received medical benefits, and their mean wage was $10.24/hour. Completers of nondegree schools reported similar results. Areas cited for improvement included strengthening mathematics instruction and providing job-seeking advice. (KC)

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Evaluation of Private Career Schools

1997

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Evaluation of Private Career Schools

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Introduction

Private career schools are independent businesses providing occupational training. Nearly 300 such schools operate in Washington, and they provide between 150 and 175 different instructional programs to approximately 41,000 students. No public funds are appropriated for private schools, but eligible students may obtain federal grants and loans to pay for educational expenses if the school they choose has been authorized to participate in federal student aid programs. In addition, funding under ESHB 1988, the Employment and Training Act, is available for private career school students if their course of study is not available at a public institution within the student's congressional district. About 300 private career school students have received funding under ESHB 1988.

The state's 57 cosmetology schools are regulated by the Department of Licensing and are not included in this study. The remaining 230 private vocational institutions that grant certificates or diplomas are licensed by the Workforce Training and Education Coordinating Board (WTECB). Eight schools—a number that is small, but growing—grant associate and baccalaureate degrees. These eight are regulated by the Higher Education Coordinating Board.

This study is part of the state's accountability system for workforce development—Performance Management for Continuous Improvement. The accountability system includes the evaluation of program results for the purpose of measuring progress toward the state's workforce development goals. The goals are to increase workforce competencies, employment, earnings, productivity, customer satisfaction, return on investment, and to reduce poverty.

There is no central data file on private career school students. Therefore, it was necessary to ask the schools to volunteer information on their students. The Federation of Private Career Schools encouraged member schools to participate in this study. Eight private career schools submitted information on their students. While this is a very small number of schools, the schools that volunteered include some of the larger private career schools in the state. It also includes three of the eight schools that grant degrees. Except for participant characteristics and employer satisfaction, the findings reported here represent only the results for these schools and cannot be generalized to all private career schools.

For the study, employment records from the Employment Security Department were analyzed for 5,902 individuals who were students during 1993–95. (The Employment Security records contain wage and hours of work for approximately 85 to 90 percent of in-state employment.) Of these students, 4,341 graduated and 1,561 did not complete their program. In addition, 313 of the students responded to a telephone survey during the winter of 1996–97. The study also contains information on employer satisfaction with new employees who were recent private career school graduates from a 1995 WTECB survey of Washington employers; and the study includes demographic information on participants from the Workforce Training and Education Coordinating Board administrative records.

Participant Characteristics

Private career students generally resemble the state's population for their age cohort, except with slightly greater levels of female participation. Based on administrative records from all 230 schools, the students are slightly more likely to be female than male (57 percent female), and the vast majority are of White non-Hispanic

ethnicity (81 percent compared to 85 percent of the state's entire population, see Figure 1). At the time of enrollment, one-fifth were under the age of 21, two-fifths or 40 percent were between 21 and 30 years of age, one quarter were between 31 and 40, and 3 percent were age 55 or older.

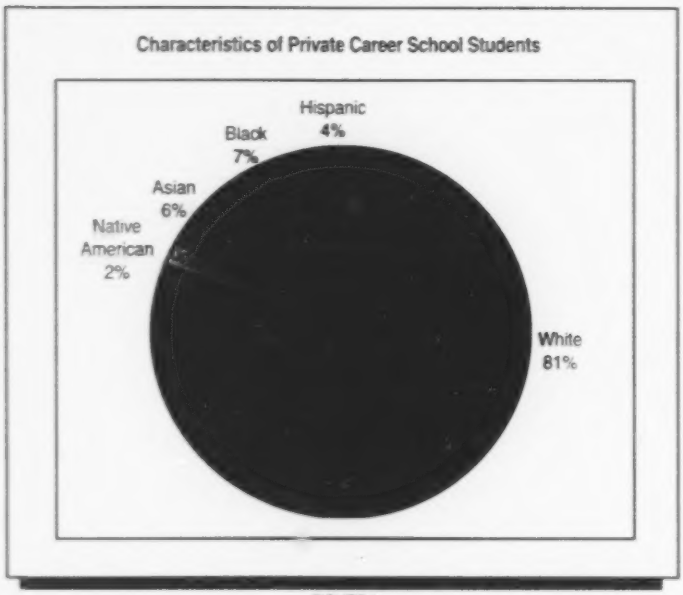

FIGURE 1

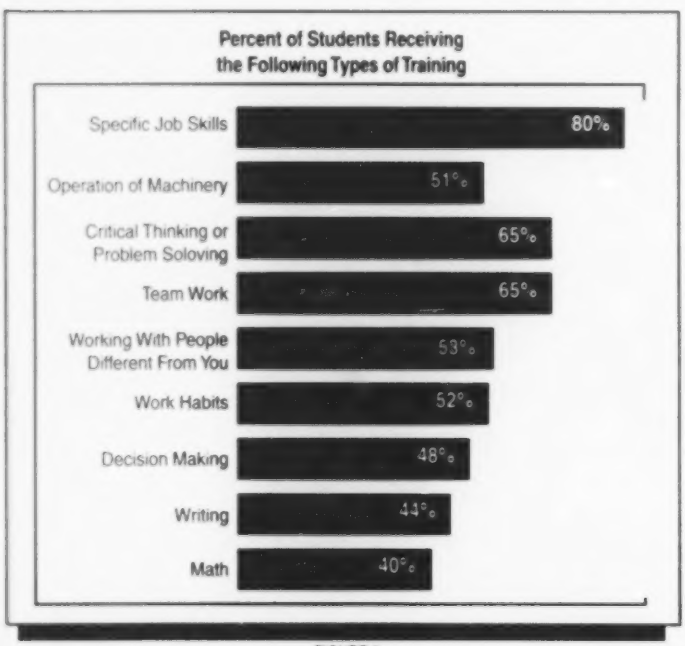
Percent of Students Receiving the Following Types of Training
Specific Job Skills 80%
Operation of Machinery 51%
Critical Thinking or Problem Soloving 65%
Team Work 65%
Working With People Different From You 53%
Work Habits 52%
Decision Making 48%
Writing 44%
Math 40%

FIGURE 2

Among those students with employment reported for unemployment insurance purposes during the quarter immediately prior to enrollment, 26 percent earned less than $6 per hour, 43 percent earned between $6 and $10 per hour, 17 percent earned between $10 and $14 per hour, and 14 percent earned over $14 per hour in covered employment.

Competencies

According to survey results, students entered the eight schools included in the student survey primarily in order to gain job skills. The survey results indicate the most common reason private career students had for enrolling in school was to "Learn skills for a new job," or "Improve skills for a job they already had" (96 percent of the students).

While they were enrolled, the vast majority of the students did receive training in job skills (see Figure 2). Based on the survey results, 80 percent of private career students received training in skills to do a specific job or occupation, and 70 percent of those who received such training believed that their specific job or occupational skills improved significantly as a result, compared to only three percent who felt that these skills did not improve at all.

Between 40 and 65 percent of the students received education or training in math, team work, communication, work habits, critical thinking, and decision making. Between 30 and 50 percent of the students who received such training believed that the training significantly improved their skills, while 4 to 23 percent believed that their skills did not improve at all.

Math skills stand out as an area that could be improved. Among students who reported receiving instruction in math, 23 percent believed their math skills did not improve at all. Training in work habits could also be stronger. Among

students receiving instruction in work habits, 16 percent said their work habits did not improve at all.

Among those employed 9 months after their school program, according to the survey results, 60 percent of the students were in jobs that were "very" or "somewhat" related to their training. Of those, 95 percent indicated that they used the skill(s) they obtained sometimes or frequently on their job. Eighty-six percent of those same students also reported that their training was either very or somewhat important in helping them get a job.

Employer survey results also show satisfaction with the skills of these workers. That information is presented later in the section on employer satisfaction.

Participant Satisfaction

The former students were mostly satisfied with their private career school program. Half (50 percent) of the students stated that they "definitely met" their objectives in the program, compared to only 17 percent who said that their experience did not meet their objectives. Almost half (47 percent) of the students were very satisfied and 30 percent were somewhat satisfied with the overall quality of their program and the quality of teaching, compared to only about 13 percent who were either somewhat or very dissatisfied.

Students who attended a nondegree school were generally more satisfied than students who attended a degree school. For example, 64 percent of the nondegree students said their program definitely met their objectives, compared to 37 percent of the degree students.

For each program aspect measured, students were more likely, by a ratio of three to one, to report that they were very satisfied than to report that they were dissatisfied. The only exception to this extent of satisfaction was length of program, although still 45 percent were very satisfied and 17 percent were dissatisfied. (It is unclear from the survey if the dissatisfied students found the program to be too long or too short.) There is some room for improvement in advice on course selection, although the results are positive. Forty-one percent of the students were very satisfied with advice on course selection compared to 20 percent who were dissatisfied.

The survey also asked the former students about support services related to their training (see Figure 3). The services most frequently needed by the students were financial assistance (70 percent) and information on job openings (64 percent). Other services needed by many students included assistance with resume writing and job interviewing, information on the labor market and information on government services. Between 25 and 40 percent of the students needed these services. Less frequently needed were information about child care (6 percent of the students), transportation (5 percent), and assistance with disabilities (needed by about 1 percent of the students).

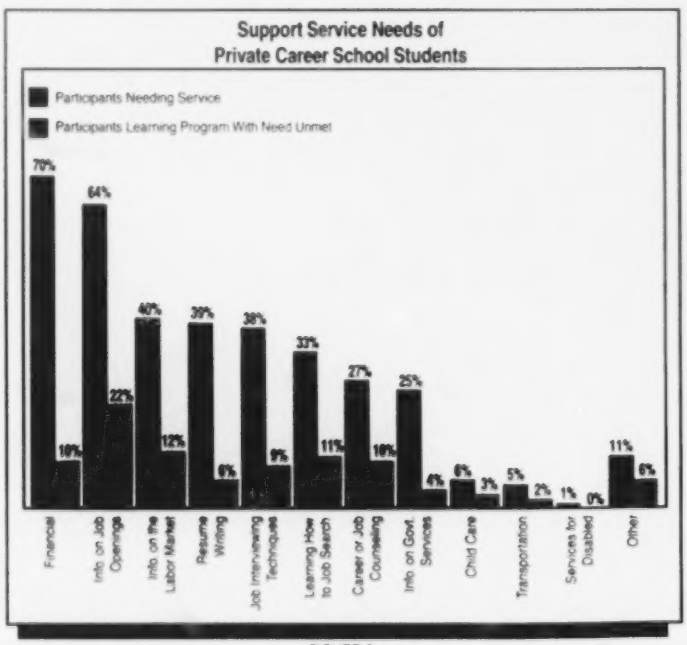

FIGURE 3

The students indicated their school was generally able to meet their needs for these services. Only 10 percent of the students left with a need for financial assistance unmet because they either did not receive assistance or were not satisfied with the assistance they received. However, 22 percent of the students left with an unmet need for information on job openings. While only 27 percent of students indicated a need for career or job counseling, 10 percent left with that need unmet (37 percent of those needing counseling). And while only 6 percent of the students needed child care, 40 percent of those left with their need for child care unmet.

Employer Satisfaction

The 1995 WTECB survey of employers asked firms to evaluate their new employees who had recently completed a "privately operated trade or business school." One hundred and forty-four employers believed they were able to report on the skills of such employees. Overall, the results indicate that the employers were quite satisfied with the quality and productivity of these new workers. Seventy-nine percent of the employers were either very or somewhat satisfied with the overall quality of the private school students' work. Eighty-three percent were satisfied with the former students' overall productivity (see Figure 4).

The skills most frequently rated highly by employers were communication (83 percent satisfied), job specific skills (81 percent satisfied), reading (80 percent satisfied), team work (78 percent satisfied), work habits (77 percent satisfied), writing (75 percent satisfied), and math (72 percent satisfied). The skills that had somewhat lower levels of satisfaction were problem solving (67 percent satisfied) and computer skills (57 percent satisfied).

Employer Satisfaction

Of Firms That Hired Workers Who Had Recently Completed a Private Career School, the Percent Who Were Very or Somewhat Satisfied With Certain Skills of Those Workers

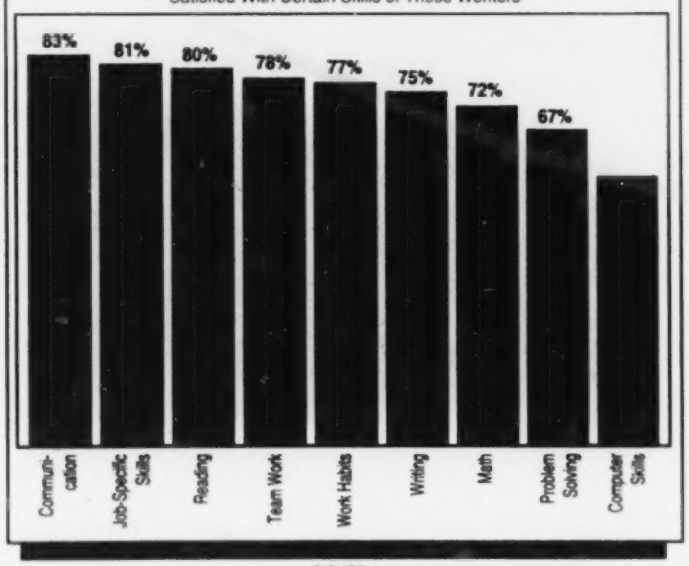

FIGURE 4

Employment and Earnings

According to the survey responses, 80 percent of the 1993–95 private career school students were employed 9 months after they left the program. Of these, 55 percent received medical benefits as part of their employment, and 44 percent received pension benefits. Only 13 percent reported receiving some form of public assistance during the past 12 months (either Aid to Families with Dependent Children, Food Stamps, or the SSI Program).

In order to find out more about the former students' postprogram employment and earnings, the student records were matched with the state's unemployment insurance wage files. These files contain information on only individuals with employment reported for unemployment insurance purposes (85 to 90 percent of the total employment in the state, with self-employment being the largest type of employment that is not covered). The matches, therefore, understate the total employment rate.

The employment and earnings results are reported separately for degree-granting and nondegree private career schools.

Degree-Granting Schools

Seventy percent of the students from degree-granting private career schools were found to have employment reported to the Employment Security Department (ESD) for unemployment insurance purposes during the third quarter after they left school (see Figure 5). Seventy-two percent of the graduates had reported employment and 66 percent of the students who did not finish school had reported employment. These figures understate the actual employment rate because they do not include employment, such as self-employment, not covered by unemployment insurance and do not include out-of-state employment.

The third quarter after they left a private career school, the mean wage of those with employment reported to Employment Security was $10.24 per hour. The mean quarterly earnings were $3,905. These numbers include both students who graduated and those who did not complete their program. The earnings of graduates were statistically significantly higher than the earnings of individuals who did not finish school. The mean hourly wage for graduates was $10.57, and the mean quarterly earnings were $4,111. The mean hourly wage for noncompleters was $9.34, and the mean quarterly earnings were $3,358.

The eighth quarter after they left a private career school, the reported earnings were higher than during the third quarter. The mean hourly wage of graduates was $11.54, and the mean quarterly earnings were $4,940. (Not enough time had passed since the students were in school to have results for the percent with employment reported to Employment Security for the eighth quarter.)

Employment and Earnings of 1993–95 Private Career School Students Reported for Unemployment Insurance Purposes in the Third Quarter After Leaving School

Degree-Granting Schools

	ALL	GRADUATES	NONCOMPLETERS
Percent With Employment Reported to ESD	70%	72%	66%
Mean Quarterly Hours of Work of Those Working	396 Hours	406 Hours	369 Hours
Mean Quarterly Earnings of Those Working	$3,905	$4,111	$3,358
Median Quarterly Earnings of Those Working	$3,817	$4,075	$3,002
Mean Hourly Wage of Those Working	$10.24	$10.57	$9.34
Median Hourly Wage of Those Working	$8.80	$9.21	$7.77
Hourly Wage < $6.00	12.5%	9.0%	21.6%
Hourly Wage $6.00 to $10.00	49.7%	49.8%	49.3%
Hourly Wage $10.00 to $14.00	25.5%	28.1%	18.7%
Hourly Wage > $14.00	12.4%	13.1%	10.4%

FIGURE 5

Employment and Earnings of 1993–95 Private Career School Students Reported for Unemployment Insurance Purposes in the Eighth Quarter After Leaving School

Degree-Granting Schools

	ALL	GRADUATES	NONCOMPLETERS
Mean Quarterly Hours of Work of Those Working	431 hours	440 hours	400 hours
Mean Quarterly Earnings of Those Working	$4,683	$4,940	$3,829
Median Quarterly Earnings of Those Working	$4,650	$4,949	$3,562
Mean Hourly Wage of Those Working	$11.13	$11.54	$9.76
Median Hourly Wage of Those Working	$9.97	$10.45	$8.79
Hourly Wage < $6.00	9.0%	6.8%	16.5%
Hourly Wage $6.00 to $10.00	41.4%	38.7%	50.5%
Hourly Wage $10.00 to $14.00	30.9%	34.3%	19.3%
Hourly Wage > $14.00	18.7%	20.2%	13.7%

FIGURE 6

The study also examined the change in quarterly earnings from the quarter prior to entering school to the third and eighth quarters after leaving school (see Figure 7). For students who attended a degree-granting school, there was a significant increase in quarterly earnings. Former students earned an average of $1,071 more per quarter by the third quarter after leaving school and $1,816 more per quarter by the eighth quarter after leaving school. Graduates earned $1,221 more per quarter in the third quarter after graduation and $2,084 more per quarter in the eighth quarter after graduation, compared to the quarter before entering school.

Change in Earnings Compared to Quarter Prior to Training

Degree-Granting Schools

	ALL	GRADUATES	NONCOMPLETERS
Mean Gross Increase Third Quarter After Training of Those Working	$1,071	$1,221	$695
Mean Gross Increase Eighth Quarter After Training of Those Working	$1,816	$2,084	$995

FIGURE 7

Nondegree Schools

Turning to private career schools that do not grant a degree, the third quarter after they left school, 52 percent of the former students had employment reported to the Employment Security Department for unemployment insurance purposes (see Figure 8). Sixty-one percent of the graduates had reported employment and only 24 percent of the noncompleters had reported employment. These figures likely understate the total employment rate by a wide margin. The Employment Security files do not contain out-of-state employment and do not contain self-employment, both of which are outcomes that could be expected from some of the schools in the sample. Despite these limitations, the figures show that graduates are far more likely to be employed than are students who do not finish school.

Employment and Earnings of 1993–95 Private Career School Students Reported for Unemployment Insurance Purposes in the Third Quarter After Leaving School

Nondegree Schools

	ALL	GRADUATES	NONCOMPLETERS
Percent With Employment Reported to ESD	52%	61%	24%
Mean Quarterly Hours of Work of Those Working	357 hours	352 hours	399 hours
Mean Quarterly Earnings of Those Working	$3,687	$3,650	$3,980
Median Quarterly Earnings of Those Working	$3,357	$3,312	$3,600
Mean Hourly Wage of Those Working	$10.87	$10.92	$10.44
Median Hourly Wage of Those Working	$8.63	$8.61	$8.82
Hourly Wage < $6.00	14.3%	14.4%	14.0%
Hourly Wage $6.00 to $10.00	46.2%	46.8%	45.6%
Hourly Wage $10.00 to $14.00	18.6%	18.4%	20.2%
Hourly Wage > $14.00	20.8%	20.9%	20.2%

FIGURE 8

The mean wage of those with reported employment was $10.87 per hour. The mean quarterly earnings were $3,687. The mean hourly wage for graduates was $10.92, and the mean quarterly earnings were $3,650. The mean hourly wage for noncompleters was $10.44, and the mean quarterly earnings were $3,980.

The mean quarterly earnings for individuals who did not finish school were higher than for graduates because noncompleters were working an average of 399 hours in the quarter in reported employment, compared to 352 hours on the average for graduates. It should be remembered, however, that the noncompleter numbers are for

the small percentage (24 percent) of the noncompleters who had reported employment in the third quarter. If the earnings numbers included all former students whether or not they had reported employment, then the mean and median earnings for graduates would be much higher than the earnings of noncompleters.

The eighth quarter after they left a private career school, the reported earnings were higher than in the third quarter. The mean hourly wage for all former students was $12.11, and the mean quarterly earnings were $4,534 (see Figure 9). The mean hourly wage of graduates was $11.99, and the mean quarterly earnings were $4,485. The mean hourly wage of noncompleters was $12.78, and the mean quarterly earnings were $4,821.

Looking at the change in earnings from the quarter before entering school to the third quarter after leaving school, students who attended a nondegree school experienced a small but statistically insignificant increase in earnings. Students who did not finish school experienced a significant increase in quarterly earnings; however, as mentioned earlier, the results include only the small percentage of noncompleters who had reported employment. By the eighth quarter after leaving school, both graduates and noncompleters with reported employment had significantly greater earnings than the quarter prior to starting school. Graduates' earnings were up by $1,071 (see Figure 10).

Areas for Possible Improvement

Overall the evaluation finds generally positive results from training at the private career schools included in the study. The schools seem to be particularly effective in providing students with job specific skills and connecting them with financial assistance. Areas that could be stronger are math instruction, providing information on job openings, advice on course selection, and career or job counseling. Also for the small number of students who need it, child care could be improved. The employer survey results further suggest that private career schools in general could improve instruction in computer skills and problem solving.

Employment and Earnings of 1993–95 Private Career School Students Reported for Unemployment Insurance Purposes in the Eighth Quarter After Leaving School

Nondegree Schools

	ALL	GRADUATES	NONCOMPLETERS
Mean Quarterly Hours of Work of Those Working	398 hours	394 hours	422 hours
Mean Quarterly Earnings of Those Working	$4,534	$4,485	$4,821
Median Quarterly Earnings of Those Working	$4,002	$3,971	$4,309
Mean Hourly Wage of Those Working	$12.11	$11.99	$12.78
Median Hourly Wage of Those Working	$9.34	$9.32	$9.48
Hourly Wage < $6.00	9.1%	9.7%	5.7%
Hourly Wage $6.00 to $10.00	45.7%	45.8%	45.3%
Hourly Wage $10.00 to $14.00	19.3%	18.7%	22.6%
Hourly Wage > $14.00	25.9%	25.8%	26.4%

FIGURE 9

Change in Earnings Compared to Quarter Prior to Training

Nondegree Schools

	ALL	GRADUATES	NONCOMPLETERS
Mean Gross Increase Third Quarter After Training of Those Working	$130	$52	$835
Mean Gross Increase Eighth Quarter After Training of Those Working	$1,211	$1,071	$2,063

FIGURE 10